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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001011

SIPDIS

STATE FOR SA/INS  
LONDON FOR POL - GURNEY

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TAGS: [PGOV](#) [NP](#)

SUBJECT: NEPAL: PARTISAN RIVALRY MAY PREVENT CONSENSUS ON  
INTERIM PM

REF: A. KATHMANDU 0999  
[B](#). KATHMANDU 0991  
[C](#). KATHMANDU 0814

Classified By: CDA ROBERT K. BOGGS. REASON: 1.5 (B,D).

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SUMMARY  
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[1](#)1. (C) It seems unlikely that the seven political parties will be able to offer King Gyanendra a consensus candidate for Prime Minister by the June 2 deadline he gave them on May 30 (Ref A). Three smaller parties--each of whom is pressing its own leader as a potential PM--might succeed in undermining the nomination of Madhav Nepal, the Communist Party of Nepal - United Marxist Leninist (UML) General Secretary, who has emerged as the preferred candidate of the

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four other parties. Some politicians interpret the King's inclusion of the three small "spoiler" parties as a calculated effort to thwart consensus--thereby allowing him to appoint another PM of his own choosing. However, since the political parties have been clamoring for an all-party government, the King's reasoning that all seven parties ought to participate in the process seems justifiable. The Embassy has appealed to all the major political parties to take advantage of the King's initiative. That said, the domestic political environment may prove too rancorous to permit consensus on this matter. End summary.

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CONSENSUS COUNTDOWN  
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[1](#)2. (C) It appears increasingly unlikely that the seven major political parties will be able to offer King Gyanendra a consensus candidate for interim prime minister by the late June 2 deadline he set in his May 30 meeting with them (Ref A). While four of the five political parties who have been protesting against the King for more than a month (the Nepali Congress; the Communist Party of Nepal - United Marxist Leninist; the People's Front Nepal; and the Peasants and Workers Party) have agreed to back the nomination of UML General Secretary Madhav Nepal, the remaining three parties (the National Democratic Party; one faction of the Nepal Sadbhavana Party; and former Prime Minister Sher Bahadur Deuba's Nepali Congress (Democratic)), who have not been taking part in the "joint" agitation against the King (Ref C), have counter-proposed their own leaders as suitable candidates for PM. Although these three parties together account for only about 35 of the 205 MPs in the previous Parliament, their intransigence could prove enough to scuttle the consensus stipulated by the King--a prospect that some Palace critics say the monarch fully anticipated when he included them in the all-party meeting on May 30.

[1](#)3. (C) UML leader Nepal told the Charge on June 2 (by cell phone as he was leading a protest against the King in downtown Kathmandu) that he believes he may be able to persuade Deuba, one of the three hold-outs, to back him as a second choice. Nepal was less sanguine about prospects of turning the pro-Palace National Democratic Party President Pashupati Rana, whose party had 11 MPs in the last Parliament, or former Deputy Prime Minister Badri Prasad Mandal, who heads a splinter faction of the Nepal Sadbhavana Party that can lay claim to only two seats in the same Parliament. If the two smaller parties indeed attempt to block his candidacy, Nepal said, the King should be prevailed upon to accept the nominee with the largest backing (which would be, presumably, Nepal himself). Nepal asked for the Embassy's support in pushing this point with the Palace. He also expressed dismay at the sudden visit of a former Indian Ambassador to Nepal, whom Nepal clearly perceived as anti-UML, and hinted that the Indians might be attempting to block him as well. The Charge emphasized that the USG has no favorite candidate for PM but is concerned that the parties take advantage of the King's efforts toward rapprochement.

[1](#)4. (C) While some critics of the King see his inclusion of the three "spoiler" parties as as a sure way to obviate

consensus, Nepali Congress President G.P. Koirala apparently threw his support to erstwhile rival Nepal with the clear stipulation that Nepal push for another certain deal-breaker--the reinstatement of the Parliament dissolved by the King one year ago. (Note: The King has already ruled out such a step, warning the parties on May 30 not to ask him to do anything "unconstitutional." According to a source at the Supreme Court, the proposal to revive an already-dissolved Parliament has no constitutional basis. End note.) On June 2 Nepali Congress Central Committee member Dr. Ram Sharan Mahat (just before leaving his home to participate in a rally against the King) told the Charge that the Nepali Congress was demanding the revival of Parliament as an essential element of the proposed all-party government, adding that his party would accept only one of the leaders of the two largest parties--the Nepali Congress or the UML--as an interim Prime Minister.

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SUSPICIONS, RECRIMINATIONS ABOUND  
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15. (C) Another factor arguing against prospects for a workable consensus is the virulent mutual suspicion between most of the political parties (with the exception of the National Democratic Party and the Nepal Sadbhavana faction) and the Palace. Some of this suspicion focuses on the institution of the monarchy, buttressed by the Palace bureaucracy, in general, which most politicians believe only begrudgingly ceded authority after the restoration of democracy in 1990. But even greater suspicion centers on the perceived personal leanings of King Gyanendra in particular, with many politicians now alleging that he had always exhibited more autocratic tendencies than his late brother. Whether these suspicions are well-founded or not, the King's continued exercise of executive authority during the Chand government undoubtedly feeds them. Many political leaders who initially supported Chand as a consensus candidate for interim Prime Minister last October--with the understanding that their parties could nominate members to his Cabinet--say they felt betrayed when the King subsequently appointed the full Cabinet on his own, claiming the parties' in-fighting and partisanship left him no choice. Many have expressed concern that the King's seemingly magnanimous invitation to the parties this time may prove a similar ploy. The King knows he is asking the impossible by demanding consensus of bitter political rivals like Deuba and Koirala (Koirala reportedly will not even enter a room if Deuba is there), they argue, and thus runs little risk of having to accept their choice for PM.

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COMMENT  
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16. (C) We continue to believe that the King's offer is a significant step toward broadening the representative base of government. (We also expect the June 2 deadline to slip a little.) By giving the parties two options (either presenting him with the name of a consensus candidate or suggesting several names if consensus continues to elude them), the King appears to be making a good-faith effort to reach a workable agreement. Since the political parties have been clamoring for an all-party government, it seems small-minded--if not downright inconsistent--for them now to object to the King's inclusion of all seven parties in the process. While we do not know the King's motives in offering the parties this opening, signals from the Palace indicate that he is attempting to respond to concerns from the international community. We find it ironic that the very politicians who criticized the King's appointment of Chand the most vehemently are now devising elaborate justifications for their own appointment. One does not have to hypothesize a nefarious royal plot to explain why there remains no consensus candidate for PM. The Embassy will continue to urge political leaders to take advantage of this opportunity.

BOGGS